

REDACTED—FOR PUBLIC INSPECTION

December 18, 2014

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Mr. Sanford Williams
Competition Policy Division
Wireline Competition Bureau
Federal Communications Commission
445 12th Street, SW, Room 5-C217
Washington, DC 20554

Re: *Telephone Number Portability, et al.*, CC Docket No. 95-116, WC Docket No. 09-109

Dear Ms. Dortch and Mr. Williams:

Enclosed is an Ex Parte letter of Telcordia Technologies, Inc., d/b/a iconectiv in response to Neustar's Reply Comments.¹

As required by paragraph 15 of the *Revised Protective Order*,² we submit: (a) one copy of this Ex Parte letter containing Highly Confidential Information to the Secretary's Office along with this cover letter, (b) two copies of this Ex Parte letter in redacted form to the Secretary's Office along with a cover letter; and (c) two copies of this Ex Parte letter

¹ Reply Comments of Neustar, Inc., WC Docket No. 09-109 and CC Docket No. 95-116 (filed August 22, 2014).

² *Petition of Telcordia Technologies, Inc. to Reform or Strike Amendment 70, to Institute Competitive Bidding for Number Portability Administration and to End the NAPM LLC's Interim Role in Number Portability Administration Contract, Telephone Number Portability*, WC Docket No. 09-109, CC Docket No. 95-116, Revised Protective Order, DA 14-881, (Wireline Comp. Bur. rel. June 25, 2014).

Ms. Marlene Dortch and Mr. Sanford Williams

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containing Highly Confidential Information to Sanford Williams along with this cover letter. We will also file a copy of the redacted version via ECFS.

Sincerely,

A handwritten signature in black ink, appearing to read "John T. Nakahata", written in a cursive style.

John T. Nakahata

*Counsel for Telcordia Technologies,
Inc., d/b/a/ iconectiv*

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Ex Parte

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: *Telephone Number Portability, et al.*, CC Docket No. 95-116, WC Docket No. 09-109

Dear Ms. Dortch:

On December 16, 2014, Richard Jacowleff and Tara O'Neill Diaz of Telcordia Technologies, Inc., d/b/a iconectiv ("Telcordia"), Rear Admiral Jamie Barnett (USN, ret.) of Venable LLP, and Mark D. Davis and I of Harris, Wiltshire & Grannis LLP, all on behalf of Telcordia, had separate meetings with Commissioner Clyburn and Rebekah Goodheart, Legal Advisor to Commissioner Clyburn; Daniel Alvarez, Legal Advisor to Chairman Wheeler; Amy Bender, Legal Advisor to Commissioner O'Rielly; and David Goldman, Senior Legal Advisor to Commissioner Rosenworcel. This letter summarizes Telcordia's presentations.

It is time for the Commission to complete the selection process for the Local Number Portability Administrator ("LNPA"). Telcordia has been pushing to bring competition to number portability administration for the past *ten years*. In the intervening period, there have been three major contract extension and modifications during which the charges for the LNPA database has skyrocketed—from \$200 million in 2005 to approximately \$500 million in 2015.¹ Telcordia has long believed that NPAC administration could be done for much less—and its bid proves that this was correct. In 2015, the annual cost of Neustar's current contract will be approximately \$500 million. By contrast, Telcordia's bid was substantially lower: ****BEGIN HIGHLY CONFIDENTIAL**** [REDACTED]

¹ See NEUSTAR, First Quarter 2014 Supplemental Materials, at 6 (Apr. 16, 2014) <http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9NTU5MDk0fENoaWxkSUQ9MjU3MzU0fFR5cGU9MQ==&t=1> (noting that NPAC revenue for the first quarter was \$118.8 million) (last visited Dec. 18, 2014).

Nevertheless, Neustar has attempted to argue that it is superior based on a number of factors that it asserts were not in the RFP. But Neustar never presented those factors during the period for comment on the RFP and thus deprived everyone of the opportunity to compete on those factors.⁶ Neustar has also emphasized the importance of its proprietary products, such as Port Power Search (Port PS), that are not even part of the NPAC database. Telcordia will offer its own version of these products, but if Neustar believes its products are superior, it can continue to provide these services as a user of the NPAC database, even if it is not the NPAC. Significantly, ancillary services operate by downloading the NPAC to a standalone copy, just as carriers and service bureaus do, and thus can be provided without integration with the NPAC database itself. Regardless, Telcordia will offer all NPAC-related services for law enforcement and national security with at least equivalent functionality; there will be no functionality gap.

⁶ See, e.g., Comments of Telcordia Technologies, Inc., d/b/a iconectiv, WC Docket Nos. 07-149 & 09-109, CC Docket No. 95-116 (filed Nov. 21, 2014).

The record also demonstrates that Telcordia is neutral as required by statute and the RFP. On the first two prongs of the neutrality analysis,⁷ there can be no debate: Telcordia and Ericsson are not telecommunications carriers or VoIP providers or an affiliate of one; and Telcordia and Ericsson do not issue a majority of their debt to telecommunications carriers or derive a majority of their revenues from any telecommunications provider.⁸ (Nor is there any rule barring an affiliate of a telecommunications-equipment manufacturer from serving as LNPA.)

On the third prong of the neutrality analysis—whether the LNPA would be subject to “undue influence”—Telcordia is not subject to any undue influence from any party with a vested interest in numbering administration and activities. And, although the undue-influence analysis applies to *Telcordia* rather than its parent,⁹ it bears emphasis that Telcordia’s parent company, Ericsson, also meets the neutrality requirements outlined in the RFP and does not have a vested interest in numbering administration at any rate.¹⁰ Moreover, to minimize any perception that Ericsson could exert any undue influence, Telcordia is implementing a number of structural safeguards—including an independent managerial Board with a majority of outside directors, and a Code of Conduct to maintain neutrality.¹¹ To avoid any perception of undue influence, Telcordia has also implemented separate financial and accounting systems, provides its own compensation and benefits to its employees, and prohibits its employees from participating in Ericsson’s Long Term Variable Stock Plan.¹²

Neustar has repeatedly suggested that Telcordia’s parent, Ericsson, might somehow be subject to undue influence because it has contracts with a number of wireless providers. But these scare tactics defy reality. Ericsson’s entire business model depends on its customers’ trusting that it will act neutrally.¹³ Ericsson provides equipment and services to a wide variety of different providers—many of which are competitors—across telecommunications industry

⁷ In applying this neutrality standard, the NAPM, the NANC, and the Commission apply the three criteria applicable to the North American Numbering Plan Administrator. *See* 47 C.F.R. § 52.12(a). First, the LNPA may not be a telecommunications services provider or an affiliate of such a provider. Second, the LNPA and any affiliates “may not issue a majority of its debt to, nor may it derive a majority of its revenues from, any telecommunications service provider.” Third, the LNPA must not be “subject to undue influence by parties with a vested interest in the outcome of numbering administration and activities.”

⁸ *See* Reply Comments of Telcordia Technologies, Inc., d/b/a iconectiv at 14, WC Docket No. 09-109 & CC Docket No. 95-116 (filed Aug. 22, 2014) (errata filed Sept. 3, 2014) (“Telcordia Reply Comments”).

⁹ *Id.* at 13.

¹⁰ *Id.* at 19-34.

¹¹ *Id.* at 29-34.

¹² Telcordia July 25, 2014 Comments at 15.

¹³ *See, e.g.,* Telcordia Reply Comments at 20-21.

segments. Favoring one carrier over another—or one segment over another—would be entirely self-defeating because it would damage Ericsson's business relationships with all of its other customers. In any case, the members of the industry who would ultimately bear the brunt of any neutrality issues have, for the most part, demonstrated their confidence that Telcordia will manage the NPAC neutrally. The NANC, whose membership is required to be balanced and includes representatives of numerous carriers—large and small—across all segments, unanimously recommended Telcordia as the next LNPA.¹⁴ This includes carriers such as AT&T and Verizon that directly compete nationally with T-Mobile and Sprint. It also includes wireline carriers, cable VoIP providers and over-the-top VoIP providers. If there were significant concerns that Telcordia would favor wireless providers, these providers would not have recommended Telcordia's selection.

Finally, it bears emphasis that Telcordia will run the NPAC securely and will work with the relevant security agencies to ensure that all of their needs and concerns are addressed. Telcordia has met with a number of relevant security agencies, and these agencies are not looking for a re-bid. If selected, Telcordia expects to work closely with these agencies to ensure a smooth transition.

Telcordia urges the Commission to expeditiously make a selection. Please contact me if you have any questions.

Sincerely,



John T. Nakahata

*Counsel to Telcordia Technologies, Inc., d/b/a
iconectiv*

cc: Rear Admiral David Simpson (USN, ret.)
Commissioner Clyburn
Daniel Alvarez
Amy Bender
David Goldman,
Rebekah Goodheart

¹⁴ *Id.* at 20 (citations omitted).